

*Please file
M/047/002*

From: John Blake
To: Paul Baker
Date: 9/9/04 8:18AM
Subject: Re: Geokinetics water well.

SITLA is working with its grazing lessee, who is the Alameda Corporation, to have the water right and the ownership of the well transferred to SITLA. SITLA will enter a Memorandum of Agreement with Alameda which will allow Alameda to use the well in conjunction with its grazing operations on the land and to maintain the well site.

>>> Paul Baker 09/08/04 08:01AM >>>

Who owns the well and the water right associated with it? If it is someone who will be using it for grazing, I don't anticipate any problems with the release.

>>> John Blake 09/07/04 07:38AM >>>

Paul,

I am attaching an E-mail from SITLA's water resource manager to explain our thinking in this matter. SITLA's post-mining land use for the Geokinetics Oil Shale site is grazing. SITLA desires to leave the existing water well as a permanent fixture on the land. SITLA will enter an MOA with its grazing lessee to maintain the well-site. Please release the Geokinetics mining permit with this in mind. Thank you,

John Blake